

Consolidated statement of financial position

Assets

in million euros	Note	2010	%	2011	%
Intangible assets	1	8,641	49.3	8,769	47.2
Property, plant and equipment	2	2,215	12.6	2,264	12.2
Other financial assets ¹	3	238	1.4	246	1.3
Income tax refund claims		3	–	1	–
Other assets ¹	4	135	0.8	103	0.6
Deferred tax assets	5	358	2.0	465	2.5
Non-current assets		11,590	66.1	11,848	63.8
Inventories	6	1,460	8.3	1,550	8.3
Trade accounts receivable	7	1,893	10.8	2,001	10.8
Other financial assets ¹	3	684	3.9	748	4.0
Income tax refund claims		133	0.8	164	0.9
Other assets ¹	4	219	1.2	237	1.2
Cash and cash equivalents	8	1,515	8.7	1,980	10.7
Assets held for sale	9	31	0.2	51	0.3
Current assets		5,935	33.9	6,731	36.2
Total assets		17,525	100.0	18,579	100.0

¹ Prior-year figures adjusted (see "Recognition and measurement methods" on AR pages 108 and 109).

Equity and liabilities

in million euros	Note	2010	%	2011	%
Issued capital	10	438	2.5	438	2.4
Capital reserve	11	652	3.7	652	3.5
Treasury shares		-99	-0.5	-93	-0.5
Retained earnings	12	7,926	45.2	8,586	46.2
Other components of equity	13	-1,058	-6.0	-942	-5.1
Equity attributable to shareholders of Henkel AG & Co. KGaA		7,859	44.9	8,641	46.5
Non-controlling interests	14	91	0.5	121	0.7
Equity		7,950	45.4	8,762	47.2
Pension obligations ¹	15	644	3.7	998	5.4
Income tax provisions	16	119	0.7	93	0.5
Other provisions	16	302	1.7	394	2.1
Borrowings	17	3,570	20.4	3,501	18.8
Other financial liabilities ¹	18	73	0.4	54	0.3
Other liabilities ¹	19	25	0.1	23	0.1
Deferred tax liabilities	5	416	2.4	481	2.6
Non-current liabilities		5,149	29.4	5,544	29.8
Income tax provisions	16	327	1.9	309	1.7
Other provisions	16	867	4.9	833	4.4
Borrowings	17	536	3.1	412	2.2
Trade accounts payable	20	2,308	13.2	2,411	13.0
Other financial liabilities ¹	18	147	0.8	84	0.5
Other liabilities ¹	19	230	1.2	207	1.1
Corporate income tax liabilities		11	0.1	17	0.1
Current liabilities		4,426	25.2	4,273	23.0
Total equity and liabilities		17,525	100.0	18,579	100.0

¹ Prior-year figures adjusted (see "Recognition and measurement methods" on [AR](#) pages 108 and 109).

Consolidated statement of income

in million euros	Note	2010	%	2011	%	Change
Sales	22	15,092	100.0	15,605	100.0	3.4%
Cost of sales ¹	23	-8,078	-53.5	-8,538	-54.7	5.7%
Gross profit		7,014	46.5	7,067	45.3	0.8%
Marketing, selling and distribution expenses ¹	24	-4,257	-28.2	-4,132	-26.5	-2.9%
Research and development expenses ¹	25	-391	-2.6	-410	-2.6	4.9%
Administrative expenses ¹	26	-750	-5.0	-785	-5.0	4.7%
Other operating income	27	216	1.4	209	1.3	-3.2%
Other operating charges	28	-109	-0.7	-92	-0.6	-15.6%
Operating profit (EBIT)		1,723	11.4	1,857	11.9	7.8%
Interest income		25	0.2	45	0.3	80.0%
Interest expense		-197	-1.3	-200	-1.3	1.5%
Interest result		-172	-1.1	-155	-1.0	-9.9%
Investment result		1	-	-	-	-100.0%
Financial result	29	-171	-1.1	-155	-1.0	-9.4%
Income before tax		1,552	10.3	1,702	10.9	9.7%
Taxes on income	30	-409	-2.7	-419	-2.7	2.4%
<i>Tax rate in %</i>		26.4		24.6		
Net income		1,143	7.6	1,283	8.2	12.2%
- attributable to non-controlling interests	31	25	0.2	30	0.2	20.0%
- attributable to shareholders of Henkel AG & Co. KGaA		1,118	7.4	1,253	8.0	12.1%

¹ Restructuring charges 2011: 227 million euros (2010: 184 million euros), of which: cost of sales 83 million euros (2010: 114 million euros); marketing, selling and distribution expenses 51 million euros (2010: 23 million euros); research and development expenses 14 million euros (2010: 8 million euros); administrative expenses 79 million euros (2010: 39 million euros).

Earnings per share (basic)

in euros	Note	2010	2011	Change
Ordinary shares	35	2.57	2.88	12.1%
Non-voting preferred shares	35	2.59	2.90	12.0%

Earnings per share (diluted)

in euros	Note	2010	2011	Change
Ordinary shares	35	2.56	2.87	12.1%
Non-voting preferred shares	35	2.58	2.89	12.0%

Additional voluntary information

in million euros	2010	2011
EBIT (as reported)	1,723	1,857
One-time gains ¹	-59	-57
One-time charges	14	2
Restructuring charges	184	227
Adjusted EBIT	1,862	2,029
<i>Adjusted return on sales</i>	<i>in %</i> 12.3	<i>in %</i> 13.0
<i>Adjusted tax rate</i>	<i>in %</i> 26.6	<i>in %</i> 26.0
Adjusted earnings per share (basic)	<i>in euros</i> 2.82	<i>in euros</i> 3.14
Adjusted net income		
- attributable to shareholders of Henkel AG & Co. KGaA	1,217	1,356

¹ Of which: 48 million euros gain from the sale of our branded consumer goods business in India, and 9 million euros gain from the sale of our roofing membrane business under the Wolfkin brand operated by Adhesive Technologies.

Consolidated statement of comprehensive income

See Notes 15 and 21 for further explanatory information

in million euros	2010	2011
Net income	1,143	1,283
Exchange differences on translation of foreign operations	531	113
Gains/losses from derivative financial instruments (Hedge reserve per IAS 39)	-59	4
Losses from financial instruments in the available-for-sale category (Available-for-sale reserve)	-	-2
Actuarial gains/losses	53	-297
Other comprehensive income (net of taxes)	525	-182
Total comprehensive income for the period	1,668	1,101
- attributable to non-controlling interests	31	29
- attributable to shareholders of Henkel AG & Co. KGaA	1,637	1,072

Consolidated statement of changes in equity

See Notes 10 to 14 for further explanatory information

in million euros	Issued capital		Capital reserve	Treasury shares	Retained earnings	Other components of equity				Non-controlling interests	Total
	Ordinary shares	Preferred shares				Translation differences	Hedge reserve per IAS 39	Available-for-sale reserve	Shareholders of Henkel AG & Co. KGaA		
At January 1, 2010	260	178	652	-109	7,017	-1,301	-223	-	6,474	70	6,544
Net income	-	-	-	-	1,118	-	-	-	1,118	25	1,143
Other comprehensive income	-	-	-	-	53	525	-59	-	519	6	525
Total comprehensive income for the period	-	-	-	-	1,171	525	-59	-	1,637	31	1,668
Dividends	-	-	-	-	-225	-	-	-	-225	-19	-244
Sales of treasury shares	-	-	-	10	9	-	-	-	19	-	19
Changes in ownership interest without loss of control	-	-	-	-	-27	-	-	-	-27	-10	-37
Other changes in equity	-	-	-	-	-19	-	-	-	-19	19	-
At December 31, 2010/ January 1, 2011	260	178	652	-99	7,926	-776	-282	-	7,859	91	7,950
Net income	-	-	-	-	1,253	-	-	-	1,253	30	1,283
Other comprehensive income	-	-	-	-	-297	114	4	-2	-181	-1	-182
Total comprehensive income for the period	-	-	-	-	956	114	4	-2	1,072	29	1,101
Dividends	-	-	-	-	-307	-	-	-	-307	-16	-323
Sales of treasury shares	-	-	-	6	6	-	-	-	12	-	12
Changes in ownership interest without loss of control	-	-	-	-	-1	-	-	-	-1	-2	-3
Other changes in equity	-	-	-	-	6	-	-	-	6	19	25
At December 31, 2011	260	178	652	-93	8,586	-662	-278	-2	8,641	121	8,762

Consolidated statement of cash flows

See Note 36 for further explanatory information

in million euros	2010	2011
Operating profit (EBIT)	1,723	1,857
Income taxes paid	-365	-426
Amortization/depreciation/write-ups of non-current assets (excluding financial assets)	478	403
Net gains/losses on disposal of non-current assets including divestments (excluding financial assets)	-5	-68
Change in inventories	-182	-105
Change in trade accounts receivable	-72	-111
Change in other assets	-14	-71
Change in trade accounts payable	341	111
Change in other liabilities and provisions	-53	-28
Cash flow from operating activities	1,851	1,562
Purchase of intangible assets	-16	-9
Purchase of property, plant and equipment	-240	-384
Payments for acquisitions	-46	-4
Proceeds on disposal of subsidiaries and business units	19	53
Proceeds on disposal of other non-current assets	43	47
Cash flow from investing activities/acquisitions	-240	-297
Dividends paid to shareholders of Henkel AG & Co. KGaA	-225	-307
Dividends (of subsidiaries) paid to non-controlling interests	-19	-16
Interest received	21	37
Interest paid	-181	-200
<i>Dividends and interest paid and received</i>	<i>-404</i>	<i>-486</i>
Change in borrowings	-174	-181
Allocation to pension funds	-312	-46
Other changes in pension obligations	30	-102
Purchase of non-controlling interests with no change of control	-23	-3
Other financing transactions	-340	16
Cash flow from financing activities	-1,223	-802
Net change in cash and cash equivalents	388	463
Effect of exchange rates on cash and cash equivalents	17	2
Change in cash and cash equivalents	405	465
Cash and cash equivalents at January 1	1,110	1,515
Cash and cash equivalents at December 31	1,515	1,980

Additional voluntary information

Reconciliation to free cash flow

in million euros	2010	2011
Cash flow from operating activities	1,851	1,562
Purchase of intangible assets	-16	-9
Purchase of property, plant and equipment	-240	-384
Proceeds on disposal of other non-current assets	43	47
Net interest paid	-160	-163
Other changes in pension obligations	30	-102
Free cash flow	1,508	951